

BEFORE THE TENNESSEE REGULATORY AUTHORITY AT

NASHVILLE, TENNESSEE

DECEMBER 5, 2001

IN RE:

PETITION OF AT&T COMMUNICATIONS OF THE  
SOUTH CENTRAL STATES, INC. FOR APPROVAL OF  
TRANSFER OF CERTIFICATE OF PUBLIC  
CONVENIENCE AND NECESSITY

)  
)  
) DOCKET NO.  
) 01-00937  
)  
)  
)

---

ORDER APPROVING TRANSFER OF AUTHORITY

---

This matter came before the Tennessee Regulatory Authority ("Authority" or "TRA") upon the *Petition* of AT&T of the South Central States, Inc. ("AT&T, Inc.") for approval of a transfer of the authority to provide utility services currently held by AT&T, Inc. to AT&T of the South Central States, LLC ("AT&T, LLC").<sup>1</sup>

**Requirement of and Standards for Authority Approval**

Tenn. Code Ann. § 65-4-113 requires a public utility to obtain Authority approval to transfer its authority to provide utility services. Tenn. Code Ann. § 65-4-113(a) provides as follows:

(a) No public utility, as defined in § 65-4-101, shall transfer all or any part of its authority to provide utility services, derived from its certificate of public convenience and necessity issued by the authority, to any individual, partnership, corporation or other entity without first obtaining the approval of the authority.

Tenn. Code Ann. § 65-4-113(b) provides the standards by which the Authority shall consider an application for transfer of authority, in pertinent part, as follows:

---

<sup>1</sup> *Petition for Approval of Transfer of Certificate of Public Convenience and Necessity*, October 26, 2001.

(b) Upon petition for approval of the transfer of authority to provide utility services, the authority shall take into consideration all relevant factors, including, but not limited to, the suitability, the financial responsibility, and capability of the proposed transferee to perform efficiently the utility services to be transferred and the benefit to the consuming public to be gained from the transfer. . . .

### **AT&T, Inc.'s Petition**

According to the *Petition*, which was filed on October 26, 2001, AT&T, Inc. is a Delaware corporation whose principal place of business for its Tennessee operations is located in Atlanta, Georgia. AT&T, Inc. has been granted authority to provide local and intrastate long distance telecommunications services in Tennessee. AT&T, Inc. requests that the Authority approve, pursuant to Tenn. Code Ann. § 65-4-113, an internal reorganization and change of control. The *Petition* states that AT&T, Inc. is reorganizing its corporate structure by converting its operations to a limited liability company, AT&T, LLC. The *Petition* further states that the reorganization will result in cost savings, including tax savings, to AT&T, LLC, resulting from a more limited income tax liability.

### **Public Interest Considerations**

According to the *Petition*, the proposed reorganization will result in a change in the corporate structure of AT&T, Inc., but will not change the ultimate upstream ownership by AT&T Corp. AT&T, LLC will be led by the same team of well-qualified telecommunications managers, including existing AT&T Corp. personnel currently utilized by AT&T, Inc. As a result, the services currently being provided by AT&T, Inc. pursuant to its existing tariffs, service arrangements and TRA authorizations will continue to be offered by AT&T, LLC. Unless and until superseding tariffs are filed, AT&T, LLC will continue operating pursuant to AT&T, Inc.'s existing tariffs. The reorganization is intended to create operating efficiencies and

flexibility, allowing AT&T, L.L.C. to remain competitive in the rapidly changing telecommunications environment.

The *Petition* further states that the reorganization will not disrupt service or adversely affect the customers of AT&T in Tennessee and there will be no change in the names, address, or telephone numbers of the contact personnel regarding the provisions of telecommunications services in Tennessee.

The *Petition* states that AT&T, Inc. is subject to numerous TRA orders and is actively participating in many proceedings before the TRA, and that AT&T, LLC plans to continue its participation in these active matters as well as any other issues in which it has an interest as they are brought before the TRA.

### **Findings**

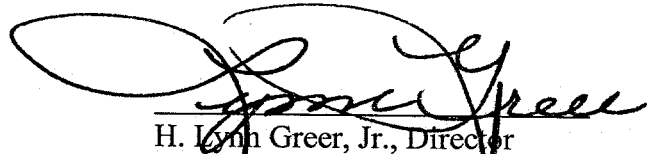
The Directors of the Authority considered this matter at the November 20, 2001 Authority Conference. Based upon careful consideration of the *Petition*, the Authority finds and concludes as follows:

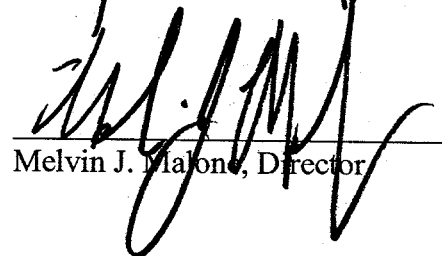
1. The Authority has jurisdiction over the subject matter of this *Petition* pursuant to Tenn. Code Ann. § 65-4-113;
2. AT&T Communications of the South Central States, Inc. has been granted authority to provide telecommunications services in Tennessee;
3. The authority granted AT&T Communications of the South Central States, Inc. will be transferred to AT&T Communications of the South Central States, L.L.C.;
4. AT&T Communications of the South Central States, L.L.C. has the suitability, financial responsibility, and capability to perform efficiently the utility service to be transferred to it; and
5. The transfer of authority will benefit the consuming public.

**IT IS THEREFORE ORDERED THAT:**


1. The *Petition* of AT&T Communications of the South Central States, Inc. for approval of the transfer of authority described herein is approved; and
2. Any party aggrieved by the Authority's decision in this matter may file a *Petition* for Reconsideration with the Authority within fifteen (15) days from and after the date of this Order.

  
Sara Kyle, Chairman

  
H. Lynn Greer, Jr., Director

  
Melvin J. Malone, Director

ATTEST:

  
K. David Waddell, Executive Secretary